

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 383rd
MEETING OF THE BOARD OF COMMISSIONERS April 24, 2014**

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on April 24, 2014 pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Jim Bennett, Paul MacDonald, Dale Venturini, Letitia Carter, Scott Gunn, Joe DeLorenzo, Tony Mendez, and Patrick Butler.

George Nee, Stan Israel and Jeffrey Hirsh were unable to attend.

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Larry Lepore, John McGinn, Kathy Masino, Rachel Martelly, Jill Cosgrove, Amanda Wilmouth, Nancy Beauchamp, Arlene Oliva, Cheryl Cohen, John Ciolfi, Robert Cappalli and Mike Lamantia, Complex; Dan Schwartz, The VETS; Bruce Leach, Legal Counsel; Robert Bromley, Senate Fiscal Office; Robert Eaton, State Budget Office and Eileen Smith, Recording Secretary.

Mr. Bennett called the meeting to order at 9:10 AM and asked for a motion to approve the minutes of the March Board Meeting. Upon a motion duly made by Mr. Gunn and seconded by Mr. DeLorenzo it was unanimously

VOTED: to approve the minutes of the March Board Meeting.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of March the Convention Center's net income variance was (\$84,944) to budget and (\$43,325) to the prior year. Year to date net income for the Convention Center was (\$264,890) to budget and \$226,590 to the prior year. Mr. McCarvill stated that higher than anticipated salaries, benefits and operational labor continue to impact net income. Mr. McCarvill reported that lower than expected parking revenue is contributed to the negative variance. Mr. McCarvill stated that June is expected to be strong. Ms. Venturini commented that since we continue to be negative to budget perhaps our budget is not realistic. Mr. McCarvill reported that the VETS net income for the month of March was \$52,095 to budget and \$22,652 to the prior year. Year to date net income was (\$28,351) to budget and (\$46,236) to the prior year. Mr. McCarvill stated that Mr. Schwartz has done a wonderful job and has filled the theater with a variety of talent. Mr. Schwartz has brought children's programming, comedy, cheerleading competitions etc. as well as being home to the philharmonic and ballet. Mr. McCarvill reported that for the month of March the Dunkin' Donuts Center's net income variance was \$28,109 to budget and (\$231,482) to the prior year. Mr. McCarvill noted that year to date net income for the Dunkin' Donuts Center was (\$405,239) to budget and (\$265,690) to the prior year. Mr. McCarvill reported that decreased rent, food and beverage income,

facility fees and suite income continue to affect the Dunk budget. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of March was \$32,965 to budget and \$75,491 to the prior year. Year to date net income for the Authority was \$205,581 to budget and (\$141,192) to the prior year. Mr. McCarvill stated that consolidated net income variance for the month of March was \$28,225 to budget and (\$176,664) to the prior year. Year to date consolidated net income was (\$492,892) to budget and (\$226,526) to the prior year. Mr. McCarvill stated that the Authority's variance to the prior year is due to higher insurance payments in November. Mr. McCarvill stated that March was a fairly good month. Mr. Gunn asked how we could turn this around. Mr. McCarvill said that we need more business at the Dunk and further cut expenses.

Mr. Bennett asked for a motion to accept the financial report as presented. Upon a motion duly made by Mr. Mendez and seconded by Mr. Butler it was unanimously

VOTED: to accept the financial report as presented.

Ms. Keough addressed the Board and reported that 10 responses to the RFP for an Economic Impact Study were received and that she narrowed the field to 4. Ms. Keough stated that the fees range from \$25,000 to \$66,000. Ms. Keough noted that she had shared the responses with Ms. Venturini and that they would be doing their due

diligence in vetting the responses. Mr. Hirsh asked if CSL would discount their fee because they have already worked with the CVB and have working knowledge of the project. Mr. McCarvill said that they might but that we have not contacted any of the firms to negotiate because we are not looking to spend any money before July. Ms. Keough reported that the web-site has been stalled because of an issue at Carbon House.

Mr. Bennett stated that the CVB was unable to attend today's meeting but their report was included in the package that was distributed prior to the meeting. Ms. Venturini said that absent someone from the CVB she would report that the winter was very difficult for the industry. Ms. Venturini noted that hotel occupancy in Providence is down for the same period last year although the average daily rate is up. She noted that the additional rooms provided by the Dean Hotel had an impact on occupancy percentage. Mr. MacDonald voiced his disappointment in the lack of representation by the CVB. Ms. Venturini informed the commissioners that, unfortunately, the CVB had an unavoidable conflict with today's meeting. Mr. MacDonald stated that he would like to hear from the tourism industry how a \$15.00 minimum wage for hotel workers would impact our convention business. Ms. Venturini said that it will have an effect. Mr. DeLorenzo said that the cost will be passed on to the consumer.

Mr. Bennett recognized Mr. Schwartz and said that he has heard that there are some good things happening at the VETS. Mr. Schwartz

thanked Mr. Bennett. Mr. Schwartz reported on upcoming events and was pleased to note that our tenants are also seeing an increase in ticket sales. Mr. Schwartz stated that Aziz Ansari tickets are selling well and should be a sell out. The Bryan Adams concert is selling well and is ahead of pace since his last performance here in 2010. Mr. Schwartz reported that Festival Ballet will present Peter Pan in May and Yo-Yo Ma will perform with the Rhode Island Philharmonic in June.

Mr. Schwartz reminded the Board of the cocktail party honoring the Carters on April 26th. Mr. Schwartz noted that the Carters have been supporters of the VETS for many years and without that support the theater would not be as successful as it is today. He said that this will be the first event in the newly renovated ballroom and hoped that many would be in attendance. Mr. Bennett stated that he would not be able to attend but thanked Ms. Carter for all that she and Mr. Carter have done for the VETS.

Mr. Bennett asked if there has been any more discussion on a connector to the Mall. Mr. Schwartz stated that there is no discussion at this time. Mr. McCarvill noted that the theater is now accessible through the Park St. entrance making it easier for our patrons. Mr. McCarvill stated that we do not have the funding at this time to move forward. Ms. Carter said that we would have to look into how the connector would be used. Mr. Schwartz stated that he had met with

the mall people to discuss placing parking signs that would be helpful to theater goers. Ms. Venturini asked about a connection to the mall from the hotel. Mr. Schwartz said that there has not been much discussion. Mr. McCarvill said that there is not much interest from the current hotel owner.

Mr. Schwartz noted that renovations are moving along well. He stated that the building will be ready and look festive for the first party.

Providence has been chosen as the most exciting small livable city. Ms. Sheridan stated that that is a great message to send and that we also do very well on the food front.

Mr. McCarvill noted that he had asked Senator Reed to caution his colleagues regarding meetings and travel. He asked that Senator Reed use his influence when discussing business travel. Ms. Venturini stated that our delegation has always understood the importance of travel and tourism to our area and, unlike some other delegations, make time to meet with us here or in Washington.

Mr. Lepore reported that he has notified Live Nation and AEG that we will be self promoting events. Mr. Lepore said that we will pursue every opportunity. He noted that diner shows will be held at the Convention Center and that three shows have been booked. Mr. Lepore said that we have an opportunity to explore new markets and diversify use of the Convention Center space and staff expertise. Mr.

Lepore stated that there will be a Miss Teen USA competition at the Convention Center as well as high school cheerleading and a new event for the area is the possibility of the American Girl Doll Fashion Show. Mr. Lepore stated that the American Girl Doll Fashion Show would have to be associated with a charitable organization and we have reached out to the Tomorrow Fund. Mr. Lepore stated that because we have not been successful in booking concerts it has been very difficult to sell suites. Mr. Lepore noted that we have offers out to Demi Lavato, Cher, James Taylor and a Christian rock band. Mr. Lepore said that according to the newspaper the Atlantic 10 Conference is looking for a new home for their tournament. He said that we would reach out to the conference and offer them a home at the Dunk. Mr. Butler asked if the NCAA looks at attendance and ticket sales when deciding where to place their games. Mr. Lepore said that it is all about television and attendance is not a priority. Mr. Lepore reported that event parking will be an area of concentration after the garage gets a good spring cleaning. He noted that we do now advertise parking on the marquis.

Mr. Lepore introduced March's employees of the month. Abby Ortiz has been an employee since 1993 when she began at age 16 as a concession worker. Abby is a dedicated employee that takes pride in her job and is well liked by her co-workers. David Krapf, a member of the Convention Center security team since 2007 is known for his exemplary service and was recently promoted to training sergeant. Mr. Lepore stated that David ensures the integrity and safety of our

complex. Congratulations to Abby and David.

Mr. Bennett asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Gunn and seconded by Mr. Butler it was unanimously

VOTED: to adjourn at 10:00 AM